

31.

Family Budgeting Analysis

OBJECTIVE: Help families think about what is most important to them and learn to compromise and come to general agreement on earning and spending priorities.

TIME: 50 minutes

MATERIALS:

Team Budgeting Exercise worksheets for each participant

An envelope of family roles for each group

Calculator for the math analysis of the budget

NOTE TO TRAINER:

If you add up the percentages on the spending plan closely, you will notice that the expenses add up to more than 100%! This is by design. You might be surprised how infrequently groups notice this as they do the exercise. When you tell them at the end of the exercise, they will probably laugh and say that it's very realistic for that to be true! This design might also lead to a discussion about credit and how important it is to live within your income.

TALKING POINTS:

Discuss the key concepts of budget analysis:

1. Determine your present spending levels (what you actually do now).
2. Create spending guidelines (what you would like to be doing).
3. Compare the actual with the planned amount for each category.
4. Analyze the reason for spending surplus or shortfall.
5. Decide how to address the surplus or shortfall.

ACTIVITY:

Break the class into small teams of 4-5 participants each. Distribute a copy of the Team Budgeting Exercise to each participant, and distribute an envelope of the eight family roles to each team. Participants in each group will select family roles randomly from the eight roles in the envelope. Each "family" group of four or five will have a different household composition. Give each team 25 minutes to discuss and confirm their budget for the year. Remind the class that the objective of a spending plan is to figure out how to meet household needs without creating further debt, and above all... KEEP IT SIMPLE !!!

Ask each group to present their findings at the end of the exercise. Compare the different spending plans as a class.

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GROUP DISCUSSION:

- How did your role in the family impact your participation in the process?
- How did different family make-ups impact the budgeting process?
- Did any of the groups realize that the percentages added up to more than 100%?
- How do we develop and maintain a “reality-based” spending plan?